

State	of	New
Hampshire		

## **PREMIUM TAX**

### Premium Tax Base:

#### § 400-A:31

On gross direct premiums, including policy fees, membership fees and assessments, dividends applied in payment for insurance and other considerations. As to title insurers, the portion of the premium chargeable to title examinations may be deducted. Ocean marine premiums are taxed separately. It is department policy not to tax annuity considerations.

### Tax Rate:

#### § 400-A:32

2%; minimum premium tax of \$200. Includes nonprofit medical service corp., health service corp., and health maintenance organization (HMOs), except for premiums from political subdivisions other than the state of New Hampshire.

#### § 405-A:3

Risk retention group taxed same as foreign admitted insurer

### Other Taxes and Assessments:

#### § 400-A:33 Ocean Marine Insurance

5% of taxable underwriting profit as defined in the statute.

#### § 281-A:59 Workers' Compensation Administration Fund

Assessment for administration of workers' compensation program. Based on claims paid. No assessment may be less than \$100 or more than 1.5% of the total compensation paid. This assessment is a credit against the premium tax liability.

#### § 281-A:55 Subsequent Injury Fund

May assess workers' compensation insurers to maintain fund. No credit against premium tax liability.

#### Reg. § 1702.071 Stabilization Reserve Fund

May assess surcharge not to exceed 2% of annual premium on medical malpractice insurance.

#### § 400-A:39 Administrative Expenses of Insurance Department

Assess share of costs of administering insurance department to all domestic insurers, nonprofit health services corp., medical service corp. and HMOs. Eff. 7/1/01 all licensed insurers will be assessed. Assessments are based on the insurer's premium as a proportion of total premium **written**. Minimum assessment \$100.

Other Taxes and Assessments (cont.)

§ 77A:1 Business Profits Tax

Tax based on federal taxable income with adjustments and taxed at rate of 7.5%. No credit against premium tax liability. **Premium tax is a credit against New Hampshire business profits tax.**

§ 77-E:1 Business Enterprise Tax

This chapter defines business income and tells how to calculate the tax due. This tax is a credit against premium tax liability.

§ 404-C:11 Federal Riot Reinsurance

Assess amount sufficient to reimburse U.S. for expenditures under national housing act for lines of insurance reinsured by housing and urban development secretary.

§ 404-B:8 Property and Casualty Guaranty Association

Association may make an assessment of no more than 2% of net direct written premiums for kinds of insurance in account with deficiency. No credit against premium tax liability.

§ 408-B:9 Life and Health Guaranty Association

The guaranty association may make a yearly non-pro rata assessment of no more than \$150 for administrative expenses and may assess insurers up to 2% of the average premiums for the prior 3 years on account of an insolvent insurer. No credit against premium tax liability.

Exclusions and Deductions:

§ 418:33 Fraternal Benefit Societies

Fraternals are exempt from premium tax.

Crop Insurance

New Hampshire will not collect tax on premiums on federally reinsured crop insurance.

Credits:

§ 281-A:59 Workers' Compensation Administration Fund

Payments made to the Workers Compensation Administration Fund are a credit against premium tax payments. No subsequent injury fund credit allowed.

§ 408-B:13 Life and Health Guaranty Association

An insurer may offset its tax liability by 20% of **a Class B** assessment **each** year for 5 years, beginning the year after the assessment was paid. This applies to insolvencies occurring after 1/1/96.

Credits (cont.)

§ 400-A:34a Business Enterprise Tax

The business enterprise tax paid may be credited against premium tax. **Any excess business enterprise tax may be credited against New Hampshire business profits tax.**

§ 31:122 New Hampshire Community Development Finance Authority Tax Credit

Insurers may take a credit against their premium tax for 75% of contributions made to the Authority. The total credit cannot exceed \$200,000 in any tax year.

Payment Due Dates:

§§ 400-A:31 to 400-A:33

Return due March 1. Pay 25% of last year's tax as prepayment for this year on March 1, June 1, September 1 and December 1. An insurer with an estimated liability of \$100 or less per quarter must make payment in full on March 1.

Marine insurers' report due by May 1.

Penalties:

§ 400-A:32

Penalty of 10% of tax due if intentionally fail to file or intentionally fail to remit proper tax by date due.

§ 405:60

May revoke license for failure to pay tax, fine, penalty, license or fee.

Extensions:

§ 400-A:31

Commissioner may grant an extension for reasonable cause.

Retaliatory Law:

§ 400-A:35

When taxes, fines, penalties, licenses, fees and other obligations imposed on New Hampshire insurers by other states exceed those New Hampshire imposes on other states' insurers, retaliation will occur. New Hampshire retaliates on a tax-for-tax and a fee-for-fee basis on taxes, fines, penalties, licenses, fees, deposits and other obligations, according to the instructions on their tax return.

**FEES**

§ 400-A:29

Insurers' Fees:**Certificate of authority:**

Company license application (nonrefundable) .....	\$300
Initial certificate.....	100
Annual renewal of company license .....	100
Reinstatement .....	50
Amendment .....	25
Variable products application (nonrefundable) .....	100
Annual renewal of variable products license.....	100

**Charter documents** (other than those filed with application for certificate of authority):

Application to reserve corporation name (ninety days) .....	25
For filing articles of amendment, domestic companies .....	10
For filing a copy of amendment to the articles of incorporation of a foreign or alien company .....	10
If the amendment is filed more than sixty days after the same has become effective in the home state, the corporation shall pay to the commissioner a penalty of.....	25

**Annual statement** filing ..... 100**Application for withdrawal** and final report of foreign or alien insurance company..... 25**Rating organizations:**

Application fee .....	300
Initial certificate.....	150
Annual renewal.....	150

**Hospital and medical service corporations:**

Corporation's annual certificate of authority .....	200
Annual statement .....	100

**Road and tourist services:**

Application fee for certificate of authority.....	300
Initial certificate.....	100
Annual renewal.....	100

**Insurance vending machines:**

Application fee, each machine .....	50
Initial license, each machine .....	50
Annual renewal, each machine.....	50

## FEES (Cont.)

**Certificates:**

Qualification/clearance letters .....	10
Certificates of compliance .....	5
Service of process on commissioner .....	25

Retaliatory fees are charged if the insurer's domicile charges those fees of New Hampshire insurers.

Producer Licensing Fees:**Producers:**

Application fee (nonrefundable) .....	\$60
License fee and biennial renewal .....	150
Lifetime registration fee .....	25
Lifetime registration discharge fee .....	25
Amendment to license .....	50
Duplicate license .....	10
CED status reports .....	5
Facsimile copies (all documents) .....	\$1 per page
Mail return fee (incorrect name, address, etc.) .....	25

**Managing general agents:**

Application fee .....	50
Original license .....	350
Renewal license .....	250

**Reinsurance intermediaries:**

Application fee .....	50
Original license .....	350
Renewal license .....	250

**Adjuster's licenses:**

Application fee .....	15
Initial license .....	25
Biennial renewal .....	25

Fees may be paid by the agent or company. Retaliation occurs on a fee-by-fee basis.

**DEPOSITS**

## § 402:2 Mutual Property and Casualty Companies

\$300,000 or \$500,000 deposit depending on type of insurer.

## § 411:3 Domestic Mutual Life Insurance

\$200,000 deposit

## § 411:1 Domestic Stock Life Insurance Companies

\$300,000 deposit

DEPOSITS (Cont.)

§ 411:8 Domestic Companies

The commissioner may require a deposit necessary to protect the policyholders, at his or her discretion, but the amount may not exceed \$1,000,000.

**CONTACT PERSON**

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